
By: **Delegate Franchot**

Introduced and read first time: February 7, 2003

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Electric Companies - Net Energy Metering - Definitions and Wind Electric**
3 **Generating Facilities**

4 FOR the purpose of expanding the provisions of law relating to net energy metering
5 with respect to electricity generated by electric company customers who own
6 solar electric generating facilities to include eligible customers who own certain
7 wind electric generating facilities; altering the definition of an "eligible
8 customer-generator" by repealing certain limitations and by altering the
9 allowed capacity of certain qualifying generating facilities; requiring wind
10 electric generating systems used by eligible customers to meet certain safety
11 and performance standards; prohibiting an electric company from requiring
12 eligible customers who own and operate wind electric generating facilities to
13 meet certain additional requirements; and generally relating to net energy
14 metering.

15 BY repealing and reenacting, with amendments,
16 Article - Public Utility Companies
17 Section 7-306
18 Annotated Code of Maryland
19 (1998 Volume and 2002 Supplement)

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
21 MARYLAND, That the Laws of Maryland read as follows:

22 **Article - Public Utility Companies**

23 7-306.

24 (a) (1) In this section the following words have the meanings indicated.

25 (2) "Eligible customer-generator" means a customer that[:

26 (i) is served by an electric company at:

27 1. a single-family dwelling which is:

- 1 A. a residence of the customer on a residential service tariff;
2 or
3 B. the principal residence of the customer on a general
4 service tariff;
- 5 2. a public or nonpublic elementary or secondary school; or
6 3. a public or nonpublic institution of postsecondary
7 education; and

8 (ii)] owns and operates a solar electrical generating facility OR A
9 WIND ELECTRIC GENERATING FACILITY that:

- 10 [1.] (I) has a capacity of not more than [80] 500 kilowatts;
11 [2.] (II) is located on the customer's premises;
12 [3.] (III) is interconnected and operated in parallel with an
13 electric company's transmission and distribution facilities; and
14 [4.] (IV) is intended primarily to offset all or part of the
15 customer's own electricity requirements.

16 (3) "Net energy metering" means measurement of the difference between
17 the electricity that is supplied by an electric company and the electricity that is
18 generated by an eligible customer-generator and fed back to the electric company
19 over the eligible customer-generator's billing period.

20 (b) The General Assembly finds and declares that a program to provide net
21 energy metering for eligible customer-generators is a means to encourage private
22 investment in renewable energy resources, stimulate in-State economic growth,
23 enhance continued diversification of the State's energy resource mix, and reduce costs
24 of interconnection and administration.

25 (c) An electric company serving an eligible customer-generator shall ensure
26 that the meter installed for net energy metering is capable of measuring the flow of
27 electricity in two directions.

28 (d) The Commission shall require electric utilities to develop a standard
29 contract or tariff for net energy metering and make it available to eligible
30 customer-generators on a first-come, first-served basis until the rated generating
31 capacity owned and operated by eligible customer-generators in the State reaches
32 34.722 megawatts, 0.2% of the State's adjusted peak-load forecast for 1998.

33 (e) (1) A net energy metering contract or tariff shall be identical, in energy
34 rates, rate structure, and monthly charges, to the contract or tariff that the customer
35 would be assigned if the customer were not an eligible customer-generator.

1 (2) (i) A net energy metering contract or tariff may not include charges
2 that would raise the eligible customer-generator's minimum monthly charge above
3 that of customers of the rate class to which the eligible customer-generator would
4 otherwise be assigned.

5 (ii) Charges prohibited by this paragraph include new or additional
6 demand charges, standby charges, customer charges, and minimum monthly charges.

7 (f) The electric company shall calculate net energy metering, subject to the
8 following:

9 (1) net energy produced or consumed on a monthly basis shall be
10 measured in accordance with standard metering practices;

11 (2) if electricity supplied by the grid exceeds electricity generated by the
12 eligible customer-generator during a month, the eligible customer-generator shall be
13 billed for the net energy supplied in accordance with subsection (e) of this section; and

14 (3) if electricity generated by the eligible customer-generator exceeds
15 the electricity supplied by the grid, the eligible customer-generator shall be required
16 to pay only customer charges for that month in accordance with subsection (e) of this
17 section.

18 (g) (1) A solar-electric generating system OR A WIND ELECTRIC
19 GENERATING SYSTEM used by an eligible customer-generator shall meet all
20 applicable safety and performance standards established by the National Electrical
21 Code, the Institute of Electrical and Electronics Engineers, and Underwriters
22 Laboratories.

23 (2) The Commission may adopt by regulation additional control and
24 testing requirements for eligible customer-generators that the Commission
25 determines are necessary to protect public safety and system reliability.

26 (3) An electric company may not require an eligible customer-generator
27 whose solar-electric generating system OR WIND ELECTRIC GENERATING SYSTEM
28 meets the standards of paragraphs (1) and (2) of this subsection to:

29 (i) install additional controls;

30 (ii) perform or pay for additional tests; or

31 (iii) purchase additional liability insurance.

32 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
33 October 1, 2003.